

THIS SUBORDINATION AGREEMENT RELATES TO THE REAL PROPERTY DESCRIBED ON EXHIBIT A ATTACHED HERETO.

L242305

SUBORDINATION AGREEMENT

07/24/87 00406857 L242305 \$ 59.00

187-24-1787

THIS SUBORDINATION AGREEMENT (the "Agreement"), dated as of June 30, 1987, is by and among SDS BIOTECH CORPORATION, a Delaware corporation ("SDS"), FERMENTA PLANT PROTECTION COMPANY, a Delaware corporation ("FPPC", and together with SDS, collectively the "Companies"), PKBANKEN ("PKBanken") and NORDBANKEN ("Nordbanken" and together with PKBanken collectively, the "Creditors" and individually each a "Creditor") and is for the benefit of each of the following Lenders (as hereinafter defined); THE CIT GROUP/EQUIPMENT FINANCING, INC., a New York corporation ("CIT"); NATIONAL AUSTRALIA BANK LIMITED, a banking corporation organized and existing under the laws of the State of Victoria, Commonwealth of Australia, acting through its New York Branch ("National Australia", and together with CIT, the "FPPC Lenders"); MBANK HOUSTON, NATIONAL ASSOCIATION, a national banking association ("MBank"), individually and as agent for itself, THE FIRST NATIONAL BANK OF CHICAGO, a national banking association ("First Chicago") and HARRIS TRUST AND SAVINGS BANK, an Illinois state banking corporation ("Harris Trust", and together with MBank and First Chicago, collectively the "SDS Lenders", and collectively with the FPPC Lenders, the "Lenders"); First Chicago; and Harris Trust.

RECITALS:

Creditors have provided or, from time to time, will provide or continue to provide to or for the benefit of SDS and/or FPPC extensions of credit. Creditors are willing to subordinate in favor of Lenders Creditors' rights in connection with aforesaid extensions of credit and Companies are willing to agree to aforesaid subordination.

NOW, THEREFORE, in consideration of extensions of credit which Lenders have provided or, from time to time, may provide or may continue to provide to or for the benefit of SDS and/or FPPC, Creditors and Companies agree with Lenders as follows:

1. Definitions. As used in this Agreement, the following terms shall have the respective meanings indicated below:

"Collateral Security" means any security, collateral, encumbrances, chattel mortgages, deeds of trust, mortgages, conditional contracts of sale, leases, liens or security interests.

"Senior Indebtedness" means the indebtedness, obligations, and liabilities (including without limitation post-petition interest thereon) of either of Companies to

FILED FOR RECORD
8:30 A.M.

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County Clerk, Harris County, Texas

9548330



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any of Lenders pursuant to the following: (i) that certain Reimbursement Agreement (together with any amendment, renewal or modification thereof, the "Reimbursement Agreement"), dated as of June 30, 1987, among, inter alios, Companies and National Australia; (ii) that certain promissory note dated June 30, 1987, executed by FPPC and payable to the order of National Australia in the principal amount of \$31,794,925.60 or any other principal amount not to exceed \$32,000,000; (iii) that certain promissory note dated June 30, 1987, executed by FPPC and payable to the order of CIT in the original principal amount of \$30,000,000; (iv) that certain Guaranty Agreement dated June 30, 1987 executed by SDS in favor of National Australia; (v) that certain Credit Agreement dated as of June 30, 1987, among, inter alios, Companies, MBank, First Chicago and Harris Trust (together with any amendment, renewal or modification thereof, the "Credit Agreement"); (vi) those certain promissory notes dated June 30, 1987 executed by SDS pursuant to the terms of the Credit Agreement and payable to the order of each of MBank, First Chicago and Harris Trust, respectively, as more particularly described in the Credit Agreement, evidencing principal obligations under the Credit Agreement in an aggregate amount outstanding not to exceed \$65,000,000 at any time; (vii) that certain Guaranty Agreement dated June 30, 1987 executed by FPPC in favor of the SDS Lenders; (viii) all agreements, documents or instruments executed or delivered in connection with any of the foregoing; and (ix) all renewals, extensions, modifications, rearrangements, restructures, replacements and/or amendments of any of the foregoing other than increases in the principal amounts thereof to the extent of such increase; provided, however, that any ~~advance~~ advance (as defined in the Reimbursement Agreement and the Credit Agreement, respectively) shall not be considered an increase in principal for the purposes hereof.

"Subordinated Indebtedness" means (i) any and all liability, obligation and indebtedness of SDS to Nordbanken arising in connection with that certain Letter of Credit issued by Nordbanken in the approximate amount of \$11,600,000 for the benefit of The Chase Manhattan Bank, N.A. and for the account of SDS; (ii) any and all liability, obligation and indebtedness of SDS to Nordbanken arising in connection with that certain five-year loan in the original principal amount of \$10,000,000 which will be extended by Nordbanken to SDS in the future (or any other liability obligation or indebtedness of SDS to Nordbanken replacing, amending, modifying or renewing the liability, obligation and indebtedness described in (i) above, in whatever form, whether direct or indirect); (iii) any and all liability, obligation and indebtedness of SDS to PKBanken arising in connection with that certain promissory note executed by SDS payable to

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Catrev, Inc., a Delaware corporation ("Catrev") and assigned and endorsed to PKBanken in the original principal amount of \$17,000,000 (the "Assigned Note"); (iv) any and all liability, obligation and indebtedness of SDS to PKBanken arising in connection with that certain five-year loan in the original principal amount of \$15,000,000 which will be extended by PKBanken to SDS (or any other liability obligation or indebtedness of SDS to PKBanken replacing, amending, modifying or renewing the liability, obligation and indebtedness described in (iii) above, in whatever form, whether direct or indirect); and (v) all renewals, extensions, modifications, rearrangements, restructures, replacements and/or amendments of any of the foregoing, all of which whether now existing or hereafter incurred or arising in whatever form.

2. Subordination. Each of Creditors and Companies covenant and agree that the Subordinated Indebtedness, howsoever evidenced and whether now existing or hereafter incurred, shall be subordinate and junior in right of payment, to the extent and in the manner hereinafter set forth, to the prior payment in full of all Senior Indebtedness:

(a) In the event of (i) any insolvency, bankruptcy, receivership, liquidation, reorganization, readjustment, composition or other similar proceeding relative to any of Companies or any of Fermenta Animal Health Company, a Delaware corporation ("FAHC"), TechAmerica Group, Inc., a Delaware corporation ("TechAmerica"), Ricerca, Inc., a Delaware corporation ("Ricerca"), Medico Industries, Inc., a Delaware corporation ("Medico") or SDS Acquisition Corporation, a Delaware corporation ("Acquisition"), Biologics Corporation, a Nebraska corporation ("Biologics", and together with FAHC, TechAmerica, Ricerca, Medico and Acquisition, collectively the "Material Companies") or any of their respective properties, (ii) any proceeding for voluntary or involuntary liquidation, reorganization, readjustment, composition or other similar proceeding relative to any of Companies or any Material Company or any of their respective properties, (iii) any proceeding for voluntary or involuntary liquidation, dissolution or other winding up of any of Companies or any Material Company whether or not involving insolvency or bankruptcy proceedings, and (iv) any assignment for the benefit of creditors or any other marshalling of the assets of any of Companies or any Material Company, then and in any such event the holders of all the Senior Indebtedness shall first be paid in cash, deposits equal to any reimbursement obligations under any open letters of credit, if any, the principal thereof and prepayment charge, if any, and interest at the time due thereon before any payment or distribution of any character, whether in cash,

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securities or other property, shall be made on account of the Subordinated Indebtedness; and any payment or distribution of any character, whether in cash, securities or other property, which would otherwise, but for the provisions of this paragraph 2(a), be payable or deliverable in respect of the Subordinated Indebtedness shall be paid or delivered directly to the holders of the Senior Indebtedness (or their duly authorized representatives), in the proportions in which they hold the same, until all the Senior Indebtedness shall have been paid in full.

(b) If (i) in the event and during the continuation of any Event of Default under the Reimbursement Agreement or the Credit Agreement due to the failure or refusal by FPPC or SDS, as applicable, to pay reimbursement obligations, principal of, or prepayment charges, if any, interest on, or any other fees or charges with respect to any of the Senior Indebtedness when due (whether by acceleration or otherwise), or (ii) in the event that any other Event of Default under the Reimbursement Agreement or the Credit Agreement with respect to any of the Senior Indebtedness shall have occurred and be continuing, permitting any of the holders of such Senior Indebtedness (or a trustee on behalf of any of the holders thereof) to cancel their continuing obligations thereunder or to accelerate the maturity thereof (whether or not such holders have cancelled such continuing obligations or accelerated maturities and notwithstanding that Lenders may have waived any such Event of Default) and National Australia or MBank, as Agent (or such other holder of any Senior Indebtedness, if any), as applicable, shall have ~~given~~ written notice of such Event of Default (except that no such notice shall be required for an Event of Default resulting from a payment default referenced in b(i) above) to FPPC or SDS, as applicable, with a copy of such notice to Creditors, then unless and until such Event of Default shall have been cured or shall have ceased to exist to the satisfaction of National Australia and MBank, as Agent, no payment, directly or indirectly, of principal, premium (if any), or interest, shall be made by any of Companies or any Material Company on the Subordinated Indebtedness or received, accepted, retained or applied by any Creditor (except for the account and benefit of the Lenders which shall be held in trust for the Lenders) and Creditors agree not to exercise any right or remedy or take any enforcement action with respect to any default or event of default on any of the Subordinated Indebtedness or under any of the documents, instruments, or agreements evidencing or relating to the Subordinated Indebtedness (other than to send notices or other correspondence to such obligors or to accelerate such Subordinated Indebtedness) until such time as the Senior Indebtedness has been paid in full.

(c) The Creditors (and such other holders of the Subordinated Indebtedness, if any) further agree (i) to promptly notify the Lenders (and such other holders, if any, of the Senior Indebtedness) in writing of any default or event of default on any of the Subordinated Indebtedness or under any of the documents, instruments or agreements evidencing or relating to the Subordinated Indebtedness, and (ii) not to exercise any right or remedy or take any enforcement action with respect to any default or event of default on any of the Subordinated Indebtedness or under any of the documents, instruments or agreements evidencing or relating to the Subordinated Indebtedness (other than to send notices or other correspondence to such obligors or to accelerate such Subordinated Indebtedness) during the ten (10) day period starting on the date of notice to the Lenders of such default or event of default relating to the Subordinated Indebtedness. If any Lender shall have given written notice to Creditors within such ten (10) day period either directing Creditors not to exercise any rights or remedies on the Subordinated Indebtedness or notifying Creditors of the existence of an Event of Default under the Credit Agreement or the Reimbursement Agreement, Creditors shall not exercise any right or remedy or take any enforcement action against any of the Companies or Material Companies on account of the Subordinated Indebtedness (other than to send notices or other correspondence to such obligors or to accelerate such Subordinated Indebtedness) or receive, accept, retain or apply any payment, direct or indirect, of any principal, premium (if any), or interest or other property or assets on account of the Subordinated Indebtedness (except for the account and benefit of the Lenders, which shall be held in trust for the Lenders until such time as the Senior Indebtedness has been paid in full.

(d) Without affecting the Creditors' obligations set forth in this Agreement not to exercise any remedy as set forth in paragraph 2(b) or 2(c) hereof under the circumstances therein, in the event that any Creditor exercises any remedy permitted under applicable law with respect to any of the assets or properties of any of the Companies or any of the Material Companies or receives any other payment or distribution of any character, whether in cash, securities, or other properties, that would, but for the provisions of paragraph 2(b) or 2(c) hereof be payable or deliverable in respect of the Subordinated Indebtedness, such cash, securities or other properties shall be held in trust for the benefit of the holders of the Senior Indebtedness and shall be paid or delivered to the holders of the Senior Indebtedness (or their authorized representatives), in the proportions in which they hold same, until all the Senior Indebtedness shall have been paid in full.

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(e) Notwithstanding any provision herein to the contrary, nothing in this Agreement shall be construed to (i) require any of the Creditors to preserve or exercise any rights or remedies with respect to any of the Companies, any of the Material Companies or any guarantor of the Subordinated Indebtedness or with respect to any collateral of the Companies, the other Material Companies or any other person or entity securing any Subordinated Indebtedness, or (ii) prohibit Creditors from accelerating the Subordinated Indebtedness or enforcing their respective rights against Catrev or Fermenta A.B., a corporation organized and existing under the laws of the Kingdom of Sweden.

(f) Upon any distribution of assets or securities of any of Companies or any Material Company, the holders of the Subordinated Indebtedness shall be entitled to rely upon a certificate of any liquidating trustee or agent or other person making any distribution to the holders of the Subordinated Indebtedness for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of any of Companies or any Material Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and any and all other facts pertinent hereto or thereto.

(g) The provisions of this Agreement are and are intended solely for the purpose of defining the relative rights of the holders of the Subordinated Indebtedness, on the one hand, and the holders of the Senior Indebtedness on the other hand. Nothing contained in this Agreement is intended to or shall impair, as between any of Companies or any Material Company, their respective creditors other than the holders of the Senior Indebtedness, and the holders of the Subordinated Indebtedness, the obligation of the Companies, or any of them, or any Material Company, which is absolute and unconditional, to pay to the holders of the Subordinated Indebtedness the principal thereof and interest thereon as and when the same shall become due and payable in accordance with its terms, or is intended to or shall affect the relative rights against any of Companies or any Material Company of the holders of the Senior Indebtedness.

(h) No right of any present or future holder of any of the Senior Indebtedness of any of the Companies or any Material Company to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of any of the Companies or any Material Company, or by any act or failure to act in good faith by any such holder, or by any

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noncompliance by any of the Companies or any Material Company with the covenants, agreements and conditions of the Subordinated Indebtedness, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

(ii) Notwithstanding any provision herein to the contrary, Creditors shall not exercise any right or remedy or take any enforcement action against any of the Companies or Material Companies on account of any of the Subordinated Indebtedness listed in (i) and (iii) of the definition of Subordinated Indebtedness, or receive, accept, retain or apply any reimbursement, payment, direct or indirect, of any principal, premium (if any), or interest or other property or assets on account of such Subordinated Indebtedness (except for the account and benefit of Lenders, which shall be held in trust for the Lenders) until such time as the Senior Indebtedness has been paid in full except for any repayment of such pursuant to any refinancing thereof described in (iii) and (iv) of the definition of Subordinated Indebtedness.

3. Collateral Subordination. Creditors agree that any and all liens and/or security interests, if any, of or on behalf of any of Creditors in any and all Collateral Security for the repayment of the Subordinated Indebtedness, in whatever form, relating to any of the property or assets of the Companies or the Material Companies, other than the stock of TechAmerica owned by Acquisition, are junior, subordinated and inferior to (i) the liens and/or security interests of MBank as agent for the benefit of MBank, First Chicago and Harris Trust (and such successors or assigns, if any) in the Collateral (as such term is defined in the Credit Agreement), (ii) the liens and/or security interests of National Australia (and such successors or assigns, if any) in the Collateral (as such term is defined in the Reimbursement Agreement), and (iii) any liens, and/or security interests in the Texas Property (as defined in the Reimbursement Agreement), whether now existing or hereafter arising, for the benefit of National Australia pursuant to that certain Deed of Trust, Security Agreement and Assignment of Rents (Amended and Restated) of FPPC in favor of National Australia, dated as of June 30, 1987 and any amendments, supplements or other modifications thereof and (iv) any liens and/or security interests in the Texas Property or any other Collateral (as such term is defined in the Reimbursement Agreement or the Credit Agreement) for the benefit of the holders of the Bonds (as such term is defined in the Credit Agreement), as such Bonds may be refunded or reissued, or for the benefit of National Australia or other bank or financial institution as permitted in the Reimbursement Agreement, in connection with the issuance of a letter of credit with respect to such Bonds, as the Bonds may be refunded or reissued. Creditors

acknowledge and agree that the liens and/or security interests described in (iv) above, whether now or hereafter arising, are senior and superior to the liens and/or security interests in favor of the Creditors with respect to the Texas Property or any other Collateral (as such term is defined in the Reimbursement Agreement or the Credit Agreement). Creditors agree to execute any and all additional acknowledgements or subordination agreements which may be required by National Australia, MBank, as agent, or such other bank or financial institution to confirm or effectuate the subordination of Creditors' liens and/or security interests in the Texas Property or any other Collateral (as such term is defined in the Reimbursement Agreement or the Credit Agreement.)

4. Representations and Warranties. Companies represent and warrant to each of Lenders that Companies are now indebted to Creditor in the respective amounts set forth herein without counterclaim, claim, defense or offset, that all Subordinated Indebtedness presently outstanding or committed to be incurred is set forth herein and that the Subordinated Indebtedness is not guaranteed, secured by any collateral or represented by any instrument, or document except as listed on Schedule I attached hereto. Each Creditor represents and warrants to each of Lenders that its respective Subordinated Indebtedness has not heretofore been and will not at any time hereafter be assigned, transferred, pledged, subordinated or otherwise encumbered and that such Creditor is not insolvent within any meaning of that term. In addition, PKBanken represents and warrants for the benefit of Lenders that the Assigned Note has been assigned to PKBanken and that PKBanken is the holder of the Assigned Note for all purposes. Each Creditor represents and warrants for the benefit of the Lenders that the description of its respective Subordinated Indebtedness contained herein is complete and accurate in all material respects so as to properly identify such Subordinated Indebtedness and the Subordinated Indebtedness listed herein is all indebtedness owed by any of the Companies and/or the other Material Companies to any of the Creditors. Each Creditor further represents and warrants for the benefit of the Lenders that the execution, delivery and performance of this Agreement by such Creditor has been duly authorized by all requisite corporate action on the part of such Creditor, is the legal, valid and binding agreement of such Creditor, enforceable in accordance with its terms, and will not violate any organizational documents of such Creditor and will not violate any provision of any statute, law, ordinance, rule, regulation, order, writ, decree of the Kingdom of Sweden or the order of any court or governmental department, commission, board, bureau, agency or instrumentality, including, without limitation, Sveriges Riksbank, and that no consent of any person or entity and no consent, license, permit, approval or authorization of, or registration or declaration with, any court or any governmental department, commission, board, bureau, agency or

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instrumentality, including without limitation, Sveriges Riksbank, is required in connection with the execution, delivery and performance by such Creditor of this Agreement or the transactions contemplated hereby, or to the extent that any such consent, license, permit, approval or authorization may be required, it has been validly procured.

5. Prior Agreements; Severability. If any term, condition or provision of this Agreement or any other agreement or document executed in connection herewith or in connection with the Senior Indebtedness or any Collateral Security therefor is determined to be invalid or unenforceable under any law, such determination shall not affect the validity or enforceability of any other term, condition or provision hereof.

6. Waiver; Rights. None of Lenders shall have any obligation to take, and the respective Creditors shall have the sole responsibility for taking, any and all steps to preserve rights against any and all prior parties to any instrument representing Subordinated Indebtedness or any part thereof. No delay by any of Lenders in exercising any right or rights hereunder or in failing to exercise the same shall operate as a waiver of such right or rights. No notice to or demand on any of Companies or Creditors shall be deemed a waiver of any Lender's right to take further action without notice or demand. No modification, alteration, waiver, or amendment of any of the provisions hereof shall be effective unless in writing and signed by all of the Lenders and then only in the specific instance for which given without in any way impairing the rights of any Lender in any other respect at any time.

Applicable Law. This Agreement shall be deemed to have been made and to be performed in Texas, and shall be governed by and construed in accordance with the laws of the State of Texas and the applicable laws of the United States of America. This Agreement has been entered into in Harris County, Texas, and it shall be performable for all purposes in Harris County, Texas. Courts within the State of Texas shall have jurisdiction over any and all disputes arising under or pertaining to this Agreement; and venue in any such dispute shall be laid in the county or judicial district of MBank's principle place of business.

8. No Representations or Warranties by Lenders. No representations, warranties or promises have been made by any Lender or by any Creditor to the other parties hereto except as expressly set forth herein, and such parties have not relied upon any such representation, warranty or promise made by any Lender or by any Creditor unless expressly set forth herein, including, without limiting the generality of the foregoing, any representation, warranty or promise by any Lender or by any Creditor to give any

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credit, advances or loans to any of Companies or to extend the time of payment of any such credits, advances or loans or to grant any other forbearance.

9. Binding Effect. This Agreement shall inure to the benefit of, and be binding upon the parties hereto and their respective successors and assigns. Each reference herein to Lenders, Companies, Material Companies or Creditors shall be deemed to include, as applicable, except when inconsistent with the contents of this Agreement, their respective successors and assigns and, as applicable, subsequent holders of any Senior Indebtedness and Subordinated Indebtedness.

10. Expenses. Companies agree to pay Lenders and Creditors on demand, all costs and expenses of any kind, including counsel fees, which Lenders may incur in preparing, administering or enforcing any of their respective rights under this Agreement. Companies hereby jointly and severally indemnify and hold Lenders and Creditors harmless from and against any and all losses, claims, costs and damages, howsoever arising, by reason of any action taken or any grant of credit by such Lender and such Creditor in reliance upon this Agreement.

11. Actions Required by Companies. By signing this Agreement, Companies agree to do and perform any and all acts and things which may be required on their part to enable Lenders and Creditors to perform their respective obligations under this Agreement, and to refrain from doing any act or thing which would cause or contribute to a violation by such Creditor of its obligations hereunder.

12. Additional Waivers by Creditors and Companies. Companies waive any and all notice of the receipt and acceptance by Lenders of this Agreement or of the creation, renewal, extension, or accrual of any of the Senior Indebtedness, present or future, in whole or in part, by any Lender or of the reliance by any Lender on this Agreement at any time and further waive notice of any default at any time on the part of any of Companies. Creditors waive any and all notice of the receipt and acceptance by Lenders of this Agreement or of the creation, renewal, extension, or accrual of any of the Senior Indebtedness, present or future, in whole or in part, by any Lender or of the reliance by any Lender on this Agreement at any time and further waive notice of any default at any time on the part of any of Companies, other than notice of any Event of Default under either of the Reimbursement Agreement or the Credit Agreement which is not a payment default. Companies waive trial by jury in any litigation arising out of or relating to the Subordinated Indebtedness or this Agreement, and the right to interpose therein any defense based upon any statute of limitations, or any claim or laches, counterclaims, setoffs, or offsets of any kind.

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13. Delivery of Subordinated Indebtedness/Subsequent Subordination Agreements. Creditors agree to deliver to Lenders copies of any and all instruments, documents, and writings evidencing such Subordinated Indebtedness, or the guarantees thereof or collateral security therefor. Creditors agree to execute and deliver to Lenders subsequent subordination agreements in form and substance satisfactory to Lender requiring same at such time as any such Lender so requests in order to further effectuate the intent and purpose of this Agreement, including but not limited to the collateral subordination described in Paragraph 3 hereof.

14. Restriction on Transfer of Subordinated Indebtedness; Payment of Subordinated Indebtedness. Creditors agree not to assign or transfer or subordinate all or any part of the Subordinated Indebtedness or any claim which Creditors may have against any of Companies, except to or in favor of Lenders pursuant to this Agreement. Creditors agree that whatever right, title, and interest (including security interest) that Creditors have in and to any Collateral Security for the Subordinated Indebtedness shall, at all times and in all respects, be subject and subordinate to Lenders' right, title, and interest (including liens and/or security interests), if any, in said Collateral Security (except with respect to the stock of TechAmerica).

15. Rights Concerning Senior Indebtedness. Without affecting the rights of the Lenders hereunder, Creditors agree that, with or without notice to or further assent from Creditors, Lenders may at any time, and from time to time, either prior to or after any default by any of the Companies with respect to any indebtedness, (a) advance or refuse to advance additional credit and make other accommodations to or for the account of any of the Companies, (b) by written agreement or otherwise, extend, renew or change, modify, compromise, release, refuse to extend, renew, or change the Senior Indebtedness or any part thereof and waive any default under all or any part thereof, and modify, rescind, or waive any provision of any related agreement or collateral undertaking, including, but not by way of limitation, any provision relating to acceleration of maturity, (c) fail to set off any or all accrued balances or deposit balances or any part thereof on any Lender's books in favor of any of the Companies and/or release the same, (d) sell, surrender, release, exchange, resort to, realize upon or apply, or fail to do any of the foregoing, with respect to any Collateral Security or any part thereof held by any Lender or available to such Lender for the Senior Indebtedness, and (e) generally deal with Companies in such manner as such Lender may see fit, including, without limiting the generality of the foregoing, any forbearance, failure, delay or refusal by Lender to exercise any rights or remedies such Lender may have against such Company, all without impairing or affecting such

Lender's rights and remedies under this Agreement. Each such action and each such failure to act by such Lender shall be deemed to be at the request of Creditors and in reliance upon this Agreement. No failure by any Lender to file, record or otherwise perfect any lien or security interest, nor any improper filing or recording, nor any failure by any Lender to insure or protect any Collateral Security nor any other dealing (or failure to deal) with any Collateral Security by such Lender, shall impair or release the obligations of Creditors hereunder.

16. Transfer of Indebtedness. Without affecting the restrictions on transfer of Subordinated Indebtedness set forth in paragraph 14 hereof, each transferee or assignee of any debt owed to a Creditor which constitutes Subordinated Indebtedness shall take such debt subject to the provisions of this Agreement and notations shall be made on each instrument, document or other agreement evidencing or relating to the Subordinated Indebtedness which shall expressly provide that such Subordinated Indebtedness is and shall be subject to the terms and provisions of this Agreement.

17. Joint and Several Liability. The Companies shall be jointly and severally liable hereunder and all provisions hereof, including, without limitation, any and all representations, warranties, covenants, agreements and indemnities, have been made jointly and severally by the Companies.

18. Continuing Agreement. This Agreement is a continuing agreement and if all Senior Indebtedness shall at any time be paid in full, this Agreement shall remain in full force and effect with respect to any Senior Indebtedness thereafter incurred.

19. Independent Obligations of Lenders. Notwithstanding anything to the contrary contained in this Agreement, no act or omission of any Lender hereunder shall adversely affect the subordination of the Creditors' Subordinated Indebtedness to such other Lender's Senior Indebtedness hereunder; provided, however, that any notice given hereunder by any Lender shall constitute notice by such other Lenders for the purposes of paragraphs 2(b) and 2(c) hereof.

20. Notices. Any notice upon any party to this Agreement shall be deemed to have been effectively given or made when sent by tested telex subject to receipt of any answerback (such telex to be confirmed in writing) or by telecopy (such telecopy to be confirmed in writing) to the address set forth below (until another address shall have been designated in writing by the respective party to which such address relates):

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Any Material
Company

Prior to

July 20, 1987: c/o SDS Biotech Corporation

7528 Auburn Road

Concord Township

Painesville, Ohio 44077

Attention: Franklin S. Barry, Jr., President

Telephone No.: (216) 357-3284

Telecopy No.: (216) 354-9507

Telex No.: 196190

Answer Back: SDS EXEC UT

Any Material

Company on or

after July 20,

1987:

c/o SDS Biotech Corporation

5966 Heisley Road

P.O. Box 8000

Mentor, Ohio 44061

Attention: Franklin S. Barry, Jr., President

Telephone No.: (216) 357-4620

Telecopy No.: (216) 354-9507

Telex No.: 196193

Answer Back: SDS EXEC UT

With Copies

To:

William R. Sasso, Esquire

Stradley, Ronon, Stevens & Young

1100 One Franklin Plaza

Philadelphia, Pennsylvania 19102

MBank:

MBank Houston, National Association

910 Travis Street

Houston, Texas 77002

Attention: Tim D. Phillips

Telephone No.: (713) 751-3820 or

(713) 751-6174

Telecopy No.: (713) 751-3837

Telex No.: 762613

Answer Back: MBank - Hou

With Copies

To:

Douglas A. Paisley II, Esquire

Winstead, McGuire, Sechrest & Minick

910 Travis, 19th Floor

Houston, Texas 77002-5895

187-24-1800

First Chicago: The First National Bank of Chicago
1 First National Plaza
Dearborn and Madison
Chicago, Illinois 60670
Attention: Mr. Nathan L. Bloch
Telephone No.: (312) 732-2243
Telecopy No.: (312) 732-4840
Telex No.: 4330253
Answer Back: FNBC-UI

Harris Trust: Harris Trust and Savings Bank
P. O. Box 755
Chicago, Illinois 60690
111 West Monroe
Chicago, Illinois 60603
Attention: Mr. Theodore B. Heldring
Telephone No.: (312) 461-7611
Telecopy No.: (312) 461-7385
Telex No.: 254157
Answer Back: HARRISTER-CGO

CIT:
300 South Grand Street, 3rd Floor
Los Angeles, California 90071
Attention: Vice President - Credit -
EPF Division,
Senior Vice President - EPF Division
Telephone No.: (213) 612-3693
Telecopy No.: (213) 628-7083

With Copies To:

The CIT Group/Equipment Financing, Inc.
12790 Merit Drive, Suite 220
Dallas, Texas 75251
Attention: Vice President - EPF Branch
Manager
Telephone No.: (214) 661-1722
Telecopy No.: (214) 661-1836

The CIT Group/Equipment Financing, Inc.
650 CIT Drive
Livingston, New Jersey 07039
Attention: Executive Vice President EPF
Division - Credit
Telephone No.: (201) 740-5544
Telecopy No.: (201) 740-5527

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National Australia:

New York Branch
Pan Am Building, 34th Floor
200 Park Avenue
New York, New York 10166
Attention: Manager-Letters of Credit
Telephone No.: (212) 916-9550
Telecopy No.: (212) 490-3094
Telex No.: 424725
Answer Back: NATAUS-NYK

With Copies To:

National Australia Bank Limited
1100 Diamond Shamrock Tower
717 North Harwood Street
Dallas, Texas 75201
Attention: Senior Vice President
Telephone No.: (214) 754-7077
Telecopy No.: (214) 754-0071
Telex No.: 3787817
Answer Back: NATAUS

PKBanken:

S-103 71, Stockholm
Sweden
Telephone No.: 46-8-796-7800
Telecopy No.: 46-8-791-7432
Telex No.: 19310
Answer Back: PKBANK-S

With A Copy To:

Timothy J. O'Brien, Esquire
Coudert Brothers
200 Park Avenue
New York, New York 10166
Telephone No.: (212) 880-4400
Telecopy No.: (212) 557-8137
Telex No.: 424736
Answer Back: COUDERT

187-24-1802

Nordbanken:

Nordbanken
International Division
Regeringsgatan 38
P. O. Box 7133
S-103 87 Stockholm
Telephone No.: 46-8-796-30-00
Telecopy No.: 46-8-21-34-82
Telex No.: 17616
Answer Back: nordst s

187-24-1803

IN WITNESS WHEREOF, Creditor and Companies have caused this Agreement to be duly executed as of this 30th day of June, 1987.

PKBANKEN

By:

Timothy J. O'Brien
Name: TIMOTHY J. O'BRIEN
Title: ATTORNEY-IN-FACT

- CREDITOR -

PKBANKEN

By:

Paul S. Clemenceau
Name: PAUL S. CLEMENCEAU
Title: ATTORNEY-IN-FACT

- CREDITOR -

187-24-1804

NORDBANKEN

By:

Name:

Title:

- CREDITOR -

NORDBANKEN

By:

Name:

Title:

- CREDITOR -

187-24-1805

SDS BIOTECH CORPORATION

By:

Franklin J. Barry, Jr.
Name: FRANKLIN J. BARRY, JR.
Title: PRESIDENT

W

- COMPANY -

187-24-1807

THE STATE OF TEXAS

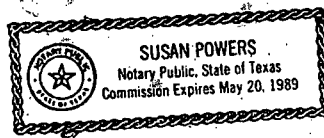
COUNTY OF HARRIS

This instrument was acknowledged before me on the 17th day of JULY, 1987, by TIMOTHY J. O'BRIEN of PKBANKEN, a Swedish banking corporation, on behalf of said corporation.

My Commission Expires:

MAY 20, 1989

Susan Powers
Notary Public - State of TEXAS



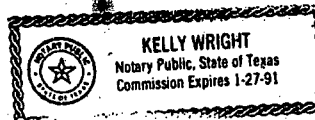
THE STATE OF TEXAS

COUNTY OF HARRIS.

This instrument was acknowledged before me on the 20th day of July, 1987 by PAUL B. CLEMENTEAU of PKBANKEN, a Swedish banking corporation, on behalf of said corporation.

My Commission Expires:

Kelly Wright
Notary Public - State of Texas



187-24-1808

THE STATE OF New York S
COUNTY OF New York S

This instrument was acknowledged before me on the 17th day
of July, 19 87, by Pete D'Amato, attorney-in-fact of
NORDBANKEN, a Swedish banking corporation, on behalf of said cor-
poration.

My Commission Expires:

July 21, 1988

Julia S. Roth
Notary Public - State of New York

JULIA S. ROTH
NOTARY PUBLIC, State of New York
No. 4867249
Qualified in New York County
Commission Expires July 21, 1988

THE STATE OF New York S
COUNTY OF New York S

This instrument was acknowledged before me on the 17th day
of July, 19 87, by Michael Corry, attorney-in-fact of
NORDBANKEN, a Swedish banking corporation, on behalf of said cor-
poration.

My Commission Expires:

July 21, 1988

Julia S. Roth
Notary Public - State of New York

JULIA S. ROTH
NOTARY PUBLIC, State of New York
No. 4867249
Qualified in New York County
Commission Expires July 21, 1988

*not
F*

187-24-1809

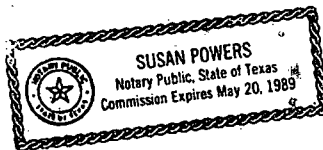
THE STATE OF TEXAS S
COUNTY OF HARRIS S

This instrument was acknowledged before me on the 17th day
of July, 19 87, by FRANKLIN S. BARRY JR. of
SDS BIOTECH CORPORATION, a Delaware corporation, on behalf of
said corporation.

My Commission Expires:

MAY 20, 1989

Susan Powers
Notary Public - State of TEXAS



187-24-1810

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 17th day
of JULY, 1987, by FRANK O. HICKS of
FERMENTA PLANT PROTECTION COMPANY, a Delaware corporation, on be-
half of said corporation.

My Commission Expires:

MAY 20, 1989

Susan Powers
Notary Public - State of TEXAS



187-24-1811

SCHEDULE I
TO
SUBORDINATION AGREEMENT
Dated as of June 30, 1987

PKBANKEN

1. Guaranty Agreements, each dated as of June 30, 1987, by SDS Acquisition Corporation, Biologics Corporation, Fermenta Plans Protection Company, Fermenta Animal Health Company, Medico Industries, Inc., Ricerca, Inc., and TechAmerica Group, Inc.
2. Mortgage, dated as of July 2, 1987 by SDS Biotech Corporation with respect to certain real and personal property located in the Township of Lawrence, Mercer County, New Jersey.
3. Security Agreements, each dated as of June 30, 1987, by SDS Biotech Corporation, SDS Acquisition Corporation, Biologics Corporation, Fermenta Plant Protection Company, Fermenta Animal Health Company, Medico Industries, Inc., Ricerca, Inc., and TechAmerica Group, Inc., with respect to certain accounts and inventory.
4. Deed of Trust, Security Agreement and Assignment of Rents dated as of June 30, 1987 by Fermenta Plant Protection Company with respect to certain real and personal property located in Harris County, Texas.
5. Collateral Patent and Trademark Assignment and Security Agreement dated as of June 30, 1987 by Fermenta Plant Protection Company with respect to certain patents and trademarks.

187-24-1812

SCHEDULE I
TO
SUBORDINATION AGREEMENT
Dated as of June 30, 1987

WORDBANKEN

1. The Letter of Credit referred to on page 2 of the Subordination Agreement in the definition of "Subordinated Indebtedness" is in the amount of USD 11,604,928 and has been fully guaranteed by Fermenta AB on October 22, 1986.
2. The loan to be extended by Wordbanken to SDS in the amount of \$ 10,000,000 (upon the discharge in full of the letter of credit referred to under item 1 above) will on February 20, 1988 at the request of Wordbanken be secured by a total of 40 per cent of SDS holding of shares in TechAmerica Group Inc. As from the draw-down of the said loan up to February 20, 1988 the share certificates will be in the custody of Brown Brothers & Harriman Co. of 55 Wall Street, New York, New York, 10005 USA acting as depository of the said share certificates.
3. The loan under item 2 will be guaranteed by Fermenta AB.

uw60
870722

DESCRIPTION

TRACT 1

EXHIBIT A

187-24-1813

BEING 85.1531 acres of land located in the Richard and Robert Vince Survey, Abstract No. 76, Harris County, Texas and being a portion of that certain 99.811 acre tract of land conveyed to J.F. Badding, Trustee by deed recorded in Volume 1395, Page 533 of the Deed Records of Harris County, Texas, said 85.1531 acres of land is more particularly described by metes and bounds as follows:

Note: All bearings recited herein are referenced to the City of Houston Monumentation System.

COMMENCING at City of Houston Monument No. 5857/1413 having coordinates of X=3,215,373.18 feet and Y=719,818.27 feet;

THENCE South 19 deg. 29 min. 36 sec. East, a distance of 357.88 feet to a concrete monument with brass disc stamped "North 31+16.87, East 27+18.77" found marking the east corner of the herein described tract, same being the east corner of said 99.811 acre tract;

THENCE South 53 deg. 27 min. 36 sec. West, generally along the bank of a drainage ditch, passing a southeasterly projection of the northeasterly high bank of Greens Bayou at 2380.93 and continuing the same course a total distance of 2569.80 feet to the south corner of the herein described tract, same being the south corner of said 99.811 acre tract;

THENCE the following courses along the southwestern line of said 99.811 acre tract:

1. North 49 deg. 00 min. 24 sec. West, a distance of 273.30 feet;
2. North 42 deg. 15 min. 24 sec. West, a distance of 283.90 feet;
3. North 31 deg. 50 min. 24 sec. West, a distance of 290.40 feet;
4. North 29 deg. 02 min. 24 sec. West, a distance of 273.00 feet;
5. North 40 deg. 43 min. 24 sec. West, a distance of 400.00 feet;

6. North 55 deg. 05 min. 33 sec. West, a distance of 66.23 feet to the west corner of said 99.811 acre tract same being the south corner of that certain 3.6559 acre tract of land conveyed to Penwalt Corporation by deed filed under Film Code No. 110-92-1613, Official Public Records of real Property, Harris County, Texas;

THENCE North 53 deg. 27 min. 36 sec. East, at 88.19 feet pass the high bank of Greens Bayou, at 93.19 feet and right 1.02 feet pass a 2 inch iron pipe found, continuing the same course a total distance of 1212.70 feet to a 1/2 inch iron rod set for corner;

THENCE South 36 deg. 32 min. 24 sec. East, a distance of 20.00 feet to a 1/2 inch iron rod set for corner;

THENCE North 53 deg. 27 min. 36 sec. East, a distance of 825.01 feet to a 1/2 inch iron rod set for the most westerly north corner of the herein described tract;

THENCE South 89 deg. 59 min. 24 sec. East, a distance of 203.43 feet to a 1/2 inch iron rod set for the most easterly north corner of the herein described tract in the southwestern line of the Harris County Houston Ship Channel Navigation District Railroad, based on a width of 225 feet.

EXHIBIT A

THENCE South 53 deg. 53 min. 24 sec. East, along the southwestelry line of said Harris County Houston Ship Channel Navigation District Railroad, a distance of 1498.17 feet to the PLACE OF BEGINNING and containing .85.1531 acres of land of which 81.3822 acres lies above or northeasterly of the high bank of Greens Bayou.

187-24-1814

TRACT 2

BEING 129.4650 acres of land located in the Richard and Robert Vince Survey, Abstract No. 76, Harris County, Texas, said 129.4650 acres being comprised of Parcel 1, that certain 8.3329 acre tract of land conveyed to S.D.S. Biotech Corporation (called to contain 8.3331 acres) by deed filed under Film Code No. 025-69-1639, Official Public Records of Real Property, Harris County, Texas and Parcel 2, that certain 121.1321 acre tract of land conveyed to S.D.S. Biotech Corporation (called to contain 121.1328 acres) by deed filed under Film Code No. 054-96-1576, Official Public Records of Real Property, Harris County, Texas, said 129.4650 acres of land is more particularly described by metes and bounds as follows:

Note: All bearings recited herein are referenced to the City of Houston Monumentation System.

COMMENCING at City of Houston Monument No. 5857/1413 having coordinates of X=3,215,373.18 feet and Y=719,818.27 feet;

THENCE North 68 deg. 35 min. 13 sec. East, a distance of 183.66 feet to a 1/2 inch iron rod set for the southeast corner of said Parcel 2 in the north line of that certain tract of land conveyed to Harris County Houston Ship Channel Navigation District by deed recorded in Volume 1219, Page 626 of the Deed Records of Harris County, Texas, from said place of beginning a concrete monument with brass disc bears North 79 deg. 28 sec. West-2.92 feet;

THENCE North 80 deg. 15 min. 24 sec. West, along the north line of said Harris County Houston Ship Channel Navigation District tract, a distance of 144.95 feet to a concrete monument with brass disc found for a corner of said Parcel 2;

THENCE North 53 deg. 53 min. 24 sec. West, along the north line of the Harris County Houston Ship Channel Navigation District tract, a distance of 746.82 feet to a 1/2 inch iron rod set for a corner of said Parcel 2 same being the southeast corner of Haden Road based on a width of 60 feet;

THENCE North 03 deg. 38 min. 24 sec. West, along the east line of said Haden Road, a distance of 77.89 feet to a 1/2 inch iron rod set for a corner of said Parcel 2 same being the northeast corner of said Haden Road;

THENCE North 53 deg. 53 min. 24 sec. West, along the northeasterly line of said Haden Road, a distance of 2377.63 feet to a 1/2 inch iron rod set for the southwest corner of said Parcel 2 same being the southeast corner of that certain 2.7887 acre tract of land conveyed to Jones Chemicals, Inc. by deed filed under Film Code No. 124-12-8763, Official Public Records of Real Property, Harris County, Texas;

EXHIBIT A

1187-24-1815

THENCE North 03 deg. 27 min. 24 sec. West, along the said line of said 2.7087 acre tract, a distance of 544.74 feet to a 1/2 inch iron rod set for the most westerly northwest corner of said Parcel 2, same being the southwest corner of that certain 1.7217 acre tract of land conveyed to Jones Chemicals, Inc. by deed filed under Film Code No. 123-84-0346, Official Public Records of Real Property, Harris County, Texas;

THENCE North 86 deg. 32 min. 36 sec. East, along the south line of said 1.7217 acre tract, a distance of 150.00 feet to a 1/2 inch iron rod set for a corner of said Parcel 2, same being the southeast corner of said 1.7217 acre tract;

THENCE North 03 deg. 27 min. 24 sec. West, along the east line of said 1.7217 acre tract, a distance of 500.00 feet to a 1/2 inch iron rod set for the most northerly northwest corner of said Parcel 2, same being the northeast corner of said 1.7217 acre tract in the south right-of-way line of the Houston North Shore Railway, based on a width of 100 feet;

THENCE North 86 deg. 32 min. 36 sec. East, along the south right-of-way line of said Houston North Shore Railway, a distance of 2225.97 feet to a 1/2 inch iron rod set for the most northerly northeast corner of said Parcel 2, same being the northwest corner of that certain 1.009 acre tract conveyed to Harris County Flood Control District;

THENCE South 03 deg. 14 min. 24 sec. East, along a west line of said 1.009 acre tract, a distance of 100.51 feet to a 1/2 inch set for corner;

THENCE South 33 deg. 14 min. 24 sec. East, along a west line of said 1.009 acre tract, a distance of 273.04 feet to a 1/2 inch iron rod set for corner;

THENCE South 20 deg. 36 min. 24 sec. East, along a west line of said 1.009 acre tract, a distance of 122.81 feet to a 1/2 inch iron rod set for the south corner of said 1.009 acre tract;

THENCE South 03 deg. 30 min. 24 sec. East, along the east line of said Parcel 2, a distance of 533.34 feet to a 1/2 inch iron rod set for a corner of the herein described tract, same being the northwest corner of said Parcel 1, from which a railroad spike found bears South 14 deg. 08 min. 55 sec. East - 7.04 feet;

THENCE North 86 deg. 29 min. 36 sec. East, a distance of 497.33 feet to a 1/2 inch iron rod set for the northeast corner of said Parcel 1, in the northwesterly line of a 50 foot wide Houston Lighting & Power Co. easement;

THENCE South 15 deg. 18 min. 26 sec. West, along the northwesterly line of said 50 foot wide easement, a distance of 1542.13 feet to a 1/2 inch iron rod set for the south corner of said Parcel 1 in the east line of said Parcel 2;

THENCE South 03 deg. 30 min. 24 sec. East, along the east line of said Parcel 2, a distance of 698.02 feet to the PLACE OF BEGINNING and containing 129.4650 acres of land.

RECORDER'S MEMORANDUM:

At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

187-24-1816

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL
PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number
Sequence on the date and at the time stamped hereon by me, and was
duly RECORDED, in the Official Public Records of Real Property of Harris
County, Texas on

JUL 24 1987



Patricia R. Kellerman
COUNTY CLERK
HARRIS COUNTY, TEXAS

When recorded return to:
Carol Klein
Winstead, McGuire, Sedwrest & Minick
1700 Dallas Bldg.
Dallas, Texas 75201